

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

In The Matter of	)	
	)	
	)	Docket No. OST-2003-14484
Extension of Computer	)	
Reservations	)	
System (CRS) Regulations	)	

**COMMENTS OF SABRE INC.**

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February 27, 2003

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On January 13, 2003, the Department of Transportation (“Department”) issued a Notice of Proposed Rulemaking (“NPRM”), in which it proposed to extend the expiration date of the Computer Reservations Systems (“CRS”) Rules (14 C.F.R. Part 255) from March 31, 2003 to January 31, 2004. 68 Fed. Reg. 7325. Sabre agrees with the Department that extension of the rules’ sunset is necessary and respectfully submits as follows:

1. The current rules are scheduled to sunset on March 31, 2003. In separate dockets, the Department is undertaking the most thorough review of the Rules since they were first introduced. *See* Notice of Proposed Rulemaking (“CRS NPRM”), “Computer Reservation Systems (CRS) Regulations; Statements of General Policy,” 67 Fed. Reg. 69366 (Nov. 15, 2002).

2. By Notice dated December 9, 2002, the Department extended the due date for comments and replies to the CRS NPRM to March 16, 2003 and May 15, 2003, respectively. 67 Fed. Reg. 72869. Sabre and numerous other parties petitioned for this extension because more time was needed to address (with comments and data) the complex and significant issues raised in the CRS NPRM, and the Department agreed.

3. On December 23, 2002, Sabre filed a Petition for Fact Hearing (“Petition”) with the Department in Dockets OST-97-2881, OST-97-3014, OST-98-4775, and OST-99-5888. In

its Petition, Sabre requested that the Department hold a Fact Hearing to more clearly set forth, document, and explain the basis for its CRS NPRM. The factual record the Department relied upon in developing the CRS NPRM is demonstrably outdated and inaccurate. If its factual errors are not corrected, five years worth of preparation will have been wasted and the CRS industry, travel agents, low-fare carriers, and consumers will suffer from misguided and asymmetrical regulation. In its NPRM the Department grudgingly recognized that “[i]mportant changes are occurring in the airline distribution system, especially the Internet’s erosion of the airlines’ dependence on the systems, and these developments may eliminate the need for many or all of our rules” (68 Fed. Reg. at 7326), yet it inexplicably declined to take these proposed developments into account in fashioning its rules.

4. As the Department notes in the NPRM, the deadline for replies to the CRS NPRM falls *after* the current sunset date. In light of the extensive changes in the distribution of air transportation over the almost *20 years* since the Civil Aeronautics Board’s (“CAB”) first rule, and the problems generated by the current NPRM, the Department without question will need time to review the extensive comments in this rulemaking and to make a final decision about the future of the CRS Rules. Given the complexity of the issues, and the volume of materials to be considered, Sabre believes that extension of the current rules is necessary.

5. The Department’s proposed nine-month extension of the CRS Rules after the reply date (January 31, 2004) will afford it sufficient time to digest the parties’ comments and to incorporate the information gained from a Fact Hearing, should Sabre’s petition be granted. The Department should be prepared by that time to issue its Final Rule determining whether the CRS Rules should be abandoned in their entirety, or whether, as a transitional matter, it is desirable to extend the most pro-consumer aspects of the rules for an appropriate further period, and to take other appropriate actions, particularly to address the original basis and purpose of the CAB’s CRS Rule - - the ability and incentive of airline-owned CRSs to exercise market power and unfairly skew travel agents or consumers to their systems/sites, to the detriment of travel agents, new entrants, and consumers.

WHEREFORE, for all of the reasons stated above, Sabre supports an extension of the rules' sunset date until January 31, 2004.

Respectfully submitted,

/s/

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